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Paper No. 39

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(For Patent Owner)

Enclosure: Copy of Requester Petition filed July 31, 2003

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(For Requester)

REEXAM UNIT

Enclosure: Reexamination request papers deposited April 17, 2003

In re Campana, Jr. et al. :  
Request For Reexamination Proceeding : DECISION  
For: U.S. Patent No. 5,436,960 : DENYING  
Deposited<sup>1</sup>: April 17, 2003 : PETITION

This is a decision on the July 31, 2003, third party requestor petition titled "Petition to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, in Person, from a Decision of the Director of the Office of Patent Legal Administration under 37 C.F.R. § 1.181."

The petition is **granted** to the extent that the June 6, 2003, and June 12, 2003, decisions of the Director of the Office of Patent Legal Administration (OPLA) have been reviewed by a higher level official within the United States Patent and Trademark Office (Office), but is **denied** as to overturning the decision by the Director of OPLA.

<sup>1</sup> The request papers are stated as having been "deposited," as opposed to "filed," since no filing date has been assigned to the papers.

**REVIEW OF FACTS**

OPLA 3062002 PETITION

1. U.S. Patent No. 5,436,960 (hereinafter, the '960 patent), issued to Campana, Jr. et al., on July 25, 1995, from an application filed on May 20, 1991.
2. On January 30, 2003, a request for *ex parte* reexamination of the '960 patent was filed and was assigned control number 90/006,533. Reexamination was ordered April 17, 2003.
3. On April 17, 2003, the present request for *inter partes* reexamination was deposited in the Office by the third party requester.
4. On April 22, 2003, a notice was issued informing requester that the present patent for which *inter partes* reexamination was requested was not eligible for *inter partes* reexamination (pursuant to Section 4608 of the American Inventor's Protection Act). The notice set a two week period for requester to elect to replace the *inter partes* request for reexamination with an *ex parte* request for reexamination under 37 CFR 1.510, pointing out that if such an election was not received within the two week period, the request papers would be returned to requester.
5. On May 6, 2003, the requester filed a petition under 37 CFR 1.181, requesting (1) withdrawal of the notice as improper, (2) waiver of 37 CFR 1.535(g) and 1.560 to permit requestor participation in a reexamination under 35 U.S.C. 301-307, (3) a Director Initiated Reexamination under 35 U.S.C. 313, and (4) deferral of the effective date for an election required by the notice.
6. A decision of the Director of OPLA was mailed on June 6, 2003, and supplemented on June 12, 2003, in which the requestor petition under 37 CFR 1.181 filed May 6, 2003, was denied,<sup>2</sup> and for return of the deposited request papers to the requester.
7. On June 24, 2003, the requester filed a request for an ***ex parte*** reexamination of the '960 patent, which was assigned control number 90/006,675.

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<sup>2</sup> Some of the issues raised in the May 6th petition were found not to be ripe for decision, and were not decided.

8. On July 31, 2003, the requester filed the present petition under 37 CFR 1.181, for review of the decision of the Director of OPLA.
9. Also on July 31, 2003, the requester filed a petition under 37 CFR 1.183 requesting waiver of 37 CFR §§ 1.535, 1.550(g) and 1.560, to permit third party requester participation in the examination stage of the 90/006,675 *ex parte* reexamination proceeding.

**REQUEST FOR PERSONAL  
REVIEW BY THE DIRECTOR**

The petition is addressed to the Director of the United States Patent and Trademark Office (the Director). It is inappropriate and not feasible for the Director to personally review all papers requesting relief that are directed to him; such personal review is not a matter of right and lies within the sound discretion of the Director. See *Corrigan v. v. Alexeevsky, et al.*, 200 USPQ 368 (Comr. Pat. 1978), *In re Staeger*, 189 USPQ 284 (Comr. Pat. 1974). The Director will not review a decision in person except in unusual or exceptional circumstances. See *Id.* In the present instance, the petition does not present unusual and exceptional circumstances that would justify the requested "In Person" review by the Director. Inasmuch as the authority for deciding petitions from a Decision of the Director of OPLA has been delegated to the Deputy Commissioner for Patent Examination Policy, the instant petition has been forwarded to the Deputy Commissioner for Patent Examination Policy for treatment as a petition under 37 CFR 1.181(a)(3) requesting review of the decision of the Director of OPLA by a higher level Office official.

**DECISION**

1. In his June 6, 2003, decision, the Director of OPLA found that the instant patent is not eligible for *inter partes* reexamination, and thus, the deposited papers requesting an *inter partes* reexamination of instant patent are to be returned to the requester. The present petition takes issue with, and seeks review of, that finding. As pointed out in the June 6th decision:

The reexamination statute was amended on November 29, 1999, by the 1999 American Inventors Protection Act (AIPA), Public Law 106-113, to expand reexamination by providing an "inter partes" option.<sup>3</sup> Section 4608 (effective date) of the AIPA provides:

"(a) In General. - ... this subtitle and the amendments made by this subtitle shall take effect on the date of the enactment of this Act [November 29, 1999] and shall apply to any patent that issues from an original application filed in the United States on or after that date [November 29, 1999]." [emphasis added]

The application for the instant patent was filed prior to November 29, 1999 (the date of enactment of the AIPA), and, accordingly, the instant patent is not eligible for *inter partes* reexamination.

2. At page 4 of the petition, it is argued that:

"the position taken in the decision(s) by the Director of the Office of Patent Legal Administration with respect to Section 4608 prohibits the PTO from declaring, in an Inter Partes proceeding, claims from a parent application to be unpatentable even though they are not patentably distinct from claims in a continuing application [filed on or after November 29, 1999]. In the Requests for Inter Partes Reexamination under consideration in this petition, the PTO has accepted Inter Partes Reexamination status for U.S. Patent No. 6,317,592, even though the claims of many of the above-identified applications are acknowledged as patentably not distinct by the filing of a Terminal Disclaimer."

In response, it is initially to be observed that while the claims from a parent application filed prior to November 29, 1999 cannot be declared "to be unpatentable" in an inter partes reexamination proceeding, petitioner is free to file a request for an *ex parte* reexamination proceeding (and has done so) in an effort to have such claims of the parent declared unpatentable. To the extent that petitioner is pointing out that it does not appear consistent to bar *inter partes* reexamination for a parent patent, while such is permitted for a continuation having patentably indistinct claims, this is simply the result mandated by the effective date provision (section 4608) of the *inter partes* reexamination provisions of the AIPA. It is not within the

<sup>3</sup> See Title IV, subtitle F (§§ 4601 through 4608) of the "Intellectual Property and Communications Omnibus Reform Act of 1999," S. 1948 (106th Cong. 1st Sess. (1999)) - Enacted as part of Pub. L. 106-113, 113 Stat. 1501, 1501A-552 through 1501A-591 (1999).

authority of the Office to permit an *inter partes* reexamination for the instant patent, since the effective date provision (section 4608) of the *inter partes* reexamination provisions of the AIPA does not make the *inter partes* reexamination provisions of the AIPA applicable to a patent resulting from an application filed before November 29, 1999, simply because that patent contains one or more claims which are not patentably distinct from a patent resulting from an application filed on or after November 29, 1999, (and to which the *inter partes* reexamination provisions of the AIPA would apply).

3. At page 4 of the petition, it is pointed out that:

"the position taken in the decision(s) by the Director of the Office of Patent Legal Administration with respect to Section 4608 effectively guts the applicability of Inter Partes Reexamination by limiting its applicability to only 3.9% of patents.... Given the legislative history, described somewhat below, it would require an extraordinary leap to assume that a majority of both houses of Congress intended Inter Partes Reexamination to apply to only 3.9% of issued patents."

As to the "legislative history," page 5 of the petition then presents comments directed to circumstances surrounding the providing of *inter partes* reexamination in the enactment of the AIPA, and as to the viability of using the *inter partes* reexamination process.

In addressing petitioner's argument of Congressional intent and legislative history, the following is to be noted:

Regardless of the circumstances of enactment and comments on viability of the enacted process, the legislation was enacted by Congress, and it was signed into law by the President of the United States of America. While legislative history may be useful in interpreting statutory language where the language of the statute is open to interpretation, in the present instance, the plain language of the statute is clear and not ambiguous. The enacted "subtitle and the amendments" made thereby are clearly stated (in Section 4608) to apply "to any patent that issues from an original application filed in the United States on or after" the date of enactment (November 29, 1999). The application for the instant patent, for which the *inter partes* reexamination is requested, was filed prior to that date; thus, the patent is not eligible for *inter partes* reexamination, pursuant to the clear language of the statute.

It is further noted that Congress had ample time to consider and reconsider Section 4608 of the AIPA, before passing H.R. 2215 (the underlying legislation incorporated as part of Title III, Subtitle A (Patent and Trademark Office) of Public Law 107-273), and its precursor bills. Yet H.R. 2215 did not revise the *inter partes* reexamination eligibility provision, while it did, at the same time, revise other reexamination effective date provisions. This shows a clear intent on the part of Congress to retain the *inter partes* reexamination eligibility provision of Section 4608 of the AIPA as-is, i.e., as it was enacted.

4. At pages 7-8 of the petition, a Constitutionality issue is raised. Petitioner argues that:

"The Decision by the Director of the Office of Patent Legal Administration that the Patent and Trademark Office does not have authority under Section 4608 of the AIPA to accept the above-identified Requests for Inter Partes Reexamination is constitutionally questionable....Issuing a patent that is invalid based on prior art is an unconstitutional act because it gives exclusive rights to individuals who are not "inventors" in a Constitutional sense. Since issuing a patent that is invalid based on prior art is unconstitutional, the PTO has inherent authority to declare such issuance invalid and improper without the need for any authorizing legislation. Section 4608 may be unconstitutional to the extent it purports to limit an Executive Branch Agency (the PTO) in correcting its own unconstitutional acts."

Petitioner then<sup>4</sup> requests that the Office:

"utilize its inherent Constitutional Authority to ignore 4608 and accept the above-described Requests for Inter Partes Reexamination. Petitioner respectfully requests that the PTO hold Section 4608 of the AIPA to be unconstitutional and accept the above-described Requests for Inter Partes Reexamination.

Petitioner appears to be arguing that the Section 4608 *inter partes* reexamination effective date provision is unwise and should not be adhered to, and that Article I, § 8, cl. 8 of the U.S. Constitution ("Congress shall have the power...[t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries") provides a basis for the Office to ignore the limitations in the AIPA on the applicability of *inter partes* reexamination. It is brought to petitioner's attention that the Constitution grants Congress the authority to

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<sup>4</sup> Petition at page 8.

legislate on the subject of patents; it does not provide that there be must a patent office (or a United States Patent and Trademark Office), much less vest the Office with any inherent authority to act or correct its acts. Thus, whatever authority the Office possesses to examine applications, grant patents, or reexamine previously granted patents must be found in the Office's enabling legislation (title 35 U.S.C.). Put simply, the Constitution does not provide the Office with the inherent authority to correct its "mistakes;" rather the Office's authority to correct such "mistakes" is limited to that authority provided to it in title 35, U.S.C. (i.e., 35 U.S.C. chapters 25, 30, and 31). It is further noted that the Federal courts have generally held that the power of Congress to legislate on the subject of patents is plenary by the terms of the Constitution. See e.g., *McClurg v. Kingsland*, 42 U.S. (1 How.) 202, 206 (1843); see also *Owen v. Heimann*, 12 F.2d 173, 174 (D.C. Cir.), cert. denied, 271 U.S. 685 (1926) ("Congress has full power to prescribe to whom and upon what terms and conditions a patent shall issue"); *Kling v. Haring*, 11 F.2d 202, 204-05 (D.C. Cir.), cert. denied, 271 U.S. 671 (1926) (same). In any event,

- administrative agencies do not have the authority to declare unconstitutional the laws they are charged with administering.
- See, e.g., *Oestereich v. Selective Service Board*, 393 U.S. 233, 242 (1968); *McGowan v. Marshall*, 604 F.2d 885, 892 (5th Cir. 1979); and *Buckeye Industries, Inc. v. Secretary of Labor*, 587 F.2d 231 (5th Cir. 1979).

- 5. At pages 5-7 of the petition, it is argued that the Section 4608 *inter partes* reexamination effective date provision of the AIPA has been repealed by implication, based upon the legislative expansion of third party requester appeal rights provided by Public Law 107-273.<sup>5</sup> At page 6 of the petition, sections 13106 and 13202 of Public Law 107-273<sup>6</sup> are relied upon to show that the "broad scope of the right to appeal appears to repeal by implication" the Section 4608 effective date provision.

In response, Congress is well versed in the mechanism for changing an effective date of prior legislation (as it did in Public Law 107-273 for the eighteen-month publication provisions of the AIPA), and Congress did not do so for the *inter partes* reexamination effective date provisions of the AIPA. It is to

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<sup>5</sup> The 21st Century Department of Justice Appropriations Authorization Act, enacted on November 2, 2002. See Pub. L. 107-273, 116 Stat. 1758, 1899-1906 (2002)

<sup>6</sup> TITLE III- INTELLECTUAL PROPERTY, Subtitle A - the "Patent and Trademark Office Authorization Act of 2002."

be noted that a provision for revision of the *inter partes* reexamination eligibility effective date was explicitly placed before Congress by way of Section 3(a) of H.R. 2231 introduced on June 19, 2001 and referred to the House committee. See H.R. 2231, 107th Cong., 1st Sess. (2001). This explicit provision to revise the *inter partes* reexamination eligibility effective date was before Congress; yet, it was not carried forward into Public Law 107-273.

As to sections 13106 and 13202 of Public Law 107-273 that are relied upon by petitioner:

Section 13106 of P.L. 107-273 is directed solely to *appeals* in *inter partes* reexamination and expands third party requester rights of appeal in an *inter partes* reexamination proceeding. Section 13202 is directed solely to *appeals* in *ex parte* reexamination and makes statutory technical corrections with respect to same. Neither of Sections 13106 and 13202, nor any other provision of P.L. 107-273, is directed to expanding the pool of patents eligible for *inter partes* reexamination.

#### THE ULTIMATE HOLDING OF THE DIRECTOR OF OPLA IN THE PROCEEDING

In this instance, the Director of the OPLA found that the instant patent is not statutorily eligible for *inter partes* reexamination, and accordingly, the deposited request papers would be returned to the requester. In the present decision, based upon a plenary review of the record, it has been determined that an *inter partes* reexamination for the present patent is barred by statute, for the reasons set forth above. Accordingly, there is no reversible error and no basis for disturbing the OPLA Director's decisions of June 6, 2003, and June 12, 2003, to return the *inter partes* reexamination request papers. Thus, the present petition is **denied** as to the petition to reverse the decision of the OPLA Director.

#### WAIVER OF THE RULES TO PERMIT REQUESTOR PARTICIPATION IN EX PARTE REEXAMINATION PROCEEDING

As pointed out above the requester filed, on June 24, 2003, a request for **ex parte** reexamination of the instant patent (under 35 U.S.C. 302). Beginning at page 8 of the present petition, a discussion is provided as to why requester should be granted a waiver of 37 CFR §§ 1.535, 1.550(g) and 1.560 to permit requestor to participate in the *ex parte* reexamination proceeding that

would be conducted, if that reexamination request is granted.<sup>7</sup> This discussion as to the question of waiver is being addressed in a concurrently issued decision on requester's July 31, 2003, petition under 37 CFR 1.183 requesting waiver of 37 CFR §§ 1.535, 1.550(g) and 1.560.<sup>8</sup> Accordingly, the matter is not further addressed herein.

**RETURN OF THE REQUEST PAPERS**

In the OPLA Director's supplemental decision of June 12, 2003, it was stated that the request for *inter partes* reexamination of the present patent deposited April 17, 2003, was returned to the requester with the petition decision of June 6, 2003, and a refund of the \$8,800 reexamination filing fee.<sup>9</sup> It was further stated that the boxes of reference copies were not returned, and such boxes were being temporarily stored in the Central Reexamination Unit (CRU), and the third party requester was given one month to make arrangements to pick up such boxes from the CRU.

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At page 13 of the petition, however, it is pointed out that:

"[a]lthough the decisions of May 6, 2003 stated that the Requests for Inter Partes Reexamination were returned with the decisions, in fact, no such Requests were received with the decisions. Accordingly, Petitioners respectfully request that the above-identified Request for Inter Partes Reexamination continue to be retained by the PTO pending a decision on this Petition."

A review of the patent file and the boxes reveals that the original request papers were indeed not returned to the requester. Accordingly, the request papers deposited April 17, 2003, are being returned to the requester with this decision.

It is noted that petitioner requested <sup>10</sup> that the request papers deposited April 17, 2003, "continue to be retained by the PTO

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<sup>7</sup> Reexamination was subsequently ordered for the proceeding.

<sup>8</sup> That petition seeks to permit third party requester participation in the examination stage of the *ex parte* reexamination proceeding.

<sup>9</sup> The refund was effected by return of the check that was submitted with the request and marked void.

<sup>10</sup> Petition at page 14.

pending a final decision on all issues raised by this Petition." The instant decision is such a final decision, as set forth below.

#### LACK OF SERVICE

The requisite proof of service on the patent owner (a Certificate of Service) was not included with the instant petition papers. Pursuant to 37 CFR 1.903:

"... any document filed by either the patent owner or the third party requester must be served on every other party in the reexamination proceeding in the manner provided in § 1.248. Any document must reflect service or the document may be refused consideration by the Office. The failure of the patent owner or the third party requester to serve documents may result in their being refused consideration."

Accordingly, the requester's petition is deficient for failure to reflect service of the response on the patent owner in accordance with 37 CFR 1.903.

Since the requisite proof of service on patent owner has not been included, a copy of the petition is being provided to the patent owner with this decision.

#### CONCLUSION

1. The present petition under 37 CFR 1.181(a)(3) is **granted** to the extent that the June 6, 2003, and June 12, 2003, decisions of the Director of the OPLA have been reviewed, but is **denied** as to overturning the decision by the Director of the OPLA.
2. The petition and this decision will be made of record in the patent file.
3. A copy of the petition is being sent to the patent owner, along with this decision.
4. The request papers deposited April 17, 2003, are being returned to the requester with this decision.
5. No further reconsideration or review of this matter will be undertaken by way of petition.

6. This decision may be viewed as a **final agency action** within the meaning of 5 U.S.C. 704, for purposes of seeking judicial review. See MPEP 1002.02.
7. Telephone inquiries with regard to this decision should be directed to Kenneth M. Schor, Senior Legal Advisor, Office of Patent Legal Administration, at 703-308-6710.



Stephen G. Kunin  
Deputy Commissioner for  
Patent Examination Policy

REQUEST FOR REEXAMINATION

November 12, 2003  
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